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Response to Robert Whaples

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conomic ideas, a guide to policy, and a school for social scientists. It is no accident that some of the best minds in economics value it highly. What a pity, then, that the rest have drifted away.”

This drifting away has continued and brings us full circle. Economic historians recently had another brief moment in the sun when the world wanted their insights into the nature of financial panics and instability. For many of the economic historians I spoke with at the 2009 EHA meeting, the fleeting attention and the crisis itself were sources of deep disappointment over the state of the discipline. Several argued that a root cause of the economic crisis was a failure of the key decision makers to know their history. If those old economic history requirements hadn't been banished, if the leading economic theorists, policy makers, and financial executives had learned their economic history, they would have known how bubbles arise, would have spotted this one, understood its causes, and acted accordingly to avert the disaster years before it unfolded. Why did policy makers searching for solutions to the mess not understand that half the economic history pro-

fession has concluded that “taken as a whole government policies of the New Deal served to lengthen and deepen the Great Depression”?¹⁰ Why do outsiders think that the only valuable kind of economic history concerns financial and macroeconomic issues? Imagine a world in which the policy makers, opinion shapers, and thinkers of the world took seriously what economic history has to say about health care reform, educational reform, climate policy. What a pity.

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¹ In all cases these numbers are only approximate because many members don't list departmental addresses.

² Robert Whaples, “Can We Talk? Do Economists and Historians Agree on Anything?” Paper presented at the 2007 Social Science History Association Meeting.

³ David Colander, *The Making of an Economist, Redux* (Princeton University Press, 2007), 201, 180.

⁴ Colander, *Making of an Economist*, 190.

⁵ Joseph Stiglitz, *Economics* (W.W. Norton, 1993), 28-29.

⁶ Whaples, “Can We Talk?”

⁷ On the economics of Wal-Mart see, for example, Emek Basker, “The Causes and Consequences of Wal-Mart's Growth,” *Journal of Economic Perspectives* 21:3 (Summer 2007): 177-198; Jerry Hausman and Ephraim Leibtag, “Consumer Benefits from Increased Competition in Shopping Outlets: Measuring the Effect of Wal-Mart,” *Journal of Applied Econometrics* 22 (2007): 1157-1177; Jason Furman, “Wal-Mart: A Progressive Success Story,” New York University, 2005.

⁸ Robert Whaples, “A Quantitative History of the *Journal of Economic History* and the Cliometric Revolution,” *Journal of Economic History* 51 (1991): 289-301; Whaples, “Cliometrics,” in Steven Durlauf and Lawrence Blume, eds., *The New Palgrave Dictionary of Economics*, 2nd ed. (Palgrave Macmillan, 2008).

⁹ Avner Greif, “Cliometrics after 40 Years,” *American Economic Review* 87 (1997): 400-403.

¹⁰ Robert Whaples, “Where Is There Consensus among American Economic Historians? The Results of a Survey on Forty Propositions,” *Journal of Economic History* 55 (1995) 139-154.

RESPONSE TO ROBERT WHAPLES

Philip T. Hoffman

The picture Robert Whaples has painted is certainly grim. Economic history is not just neglected, but shunned—or worse yet, despised—by most historians. Meanwhile, in economics departments, where the majority of economic historians now reside, the field is marginalized and, in the long run, doomed to extinction.

To make the picture even more depressing, Whaples (being the good economic historian that he is) backs up his assertions with solid evidence. One could easily add to it. To judge by the titles of articles in mainstream history journals (the *American Historical Review*, the *Journal of American History*, the *Journal of Modern History*, *Past and Present*), interest in economic history is vanishing.¹ Dissertations in economic history in history departments are rare.² And citations suggest that major works of economic history can pass unnoticed by the history profession even when they address issues that once fascinated many non-economic historians.³

My personal experience, if it is worth anything, suggests much the same. Older historians I know who were trained in the 1970s may not write economic history, but they do seem willing to pay attention to it. They also seem open to borrowing

from the social sciences and to the possibility of generalization—in other words, to the notion that what they have unearthed in the archives is not necessarily a special case. Younger historians, by contrast, seem suspicious of most social sciences and

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far more reluctant to generalize. Getting them to read economic history is a much tougher sell. Because of its subjectivity and its assumptions about evidence, much of the new cultural history may even be incompatible with economic history and other varieties of history that draw upon the social sciences.⁴

Why then should historians even bother to pay any attention at all to economic history if the field is divorced from what goes on in history departments and apparently headed toward the grave even

in economics? There are several reasons why they should. Despite what Whaples says, economic history is a vibrant field. It can help historians enormously, no matter what they work on or what their political opinions happen to be. It can be particularly useful for the many historians who still admit the possibility of at least occasional generalization and who are as hard-nosed about evidence as any economist.

Although economic history may be on the margins of economics as a discipline, it is secure and thriving at Berkeley, Caltech, Harvard, Michigan, Northwestern, Stanford, UC Davis, UC Irvine, UCLA, and Yale, and in many other economics departments as well. The All-UC Group in Economic History, which supports economic history at the University of California, recently had its funding renewed despite the state's dire financial crisis and competition from scores of other programs in the humanities and social, biological, and physical sciences. And outside the United States, economic history is prospering in Great Britain, the Netherlands, and other parts of Europe, and especially in Asia and Latin America. Some 1,300 economic historians attended the 2009 World Economic History Congress in Utrecht. That is hardly the mark of a

field that is ready for hospice care.

Economic history may therefore be safe from extinction, but the typical member of a history department may still wonder why he or she should bother to pay any attention to it. “Why,” he or she might ask, “should we read something that is likely boring, badly written, and divorced from anything we do?” My response: I defy anyone to read a single page of Joel Mokyr, Deirdre McCloskey, Greg Clark, or Jan de Vries and maintain that economic history is poorly written. Their books and articles have a force and verve reminiscent of past masters of historical prose, such as J.H. Hexter, and while these four scholars may be exceptional, most economic historians write clearly and carefully marshal evidence to support their arguments. How much non-economic history today meets even that minimal standard?

Nor is economic history just tables and graphs—far from it. It can be packed with vivid anecdotes and pictures, as in Alan Olmstead and Paul Rhode’s *Creating Abundance: Biological Innovation and American Agricultural Development*. It takes on big issues such as education, inequality, welfare, and government spending—see, for instance, Peter Lindert’s *Growing Public: Social Spending and Economic Growth since the Eighteenth Century* or Claudia Goldin’s and Lawrence Katz’s *The Race between Education and Technology*. Some works of economic history—Greg Clark’s *A Farewell to Alms: A Brief Economic History of the World* and Robert Allen’s *The British Industrial Revolution in Global Perspective*—attract huge numbers of nonacademic readers.

Economic history is not just about markets and businesses: it concerns politics, education, inequality, technological innovation, marriage and family, and, more generally, the incentives that affect all sorts of behavior in societies large and small. Its breadth reflects the range of economics itself, which today aspires to be a theory of virtually all human conduct. That may smack of hubris, but economics is a powerful tool for understanding what humans do, both today and in the past. When I and two coauthors, for instance, were tracing the evolution of credit markets in Paris across three centuries of social and political change, a simple economic model gave us powerful insights into what was happening. The model highlighted the significance of the city’s notaries (officials who drew up and preserved legal documents) in arranging loans. Although social historians had long emphasized the notaries’ social and legal importance, we unearthed the crux of the notaries’ financial role—how the information they gathered in the course of their business helped lenders find creditworthy bor-

rowers. Our model made this clear, and it matched the quantitative evidence we collected in notarial records. It also pointed us to new sources. Indeed, if the model was correct, the three of us decided one afternoon, then anyone who was wealthy and left an abundant correspondence would in all likelihood have written his notary about managing his portfolio. We immediately thought of Voltaire, ran into the stacks of the UCLA library, and found exactly what the model predicted.⁵



“The Protestants Joy,” a 1689 print of William and Mary, from J. R. Green, *A Short History of the English People*, Volume 4 (George Newnes, 1908).

Economics can also help us discern patterns in the wide variety of past behavior and thus make comparisons across time and space. That ability to make comparisons is particularly important for global history. As a historian who knows early modern Europe well, it may be difficult for me to make comparisons with, say, Ming China, but with a bit of economics, I at least have a way to analyze economic, social, and political differences. Global history has therefore attracted a great deal of attention from economic historians, and they have been drawn in particular into the debate over the “the great divergence.” Launched by Ken Pomeranz’s *The Great Divergence: China, Europe, and the Making of the Modern World Economy*, the debate seeks to determine when and why Europe ended up getting rich while advanced societies in Asia—China in particular—fell behind. For Pomeranz (whose Ph.D. is in history, it is worth pointing out), coal and access to colonial goods such as cotton ultimately gave Europe the edge, but it did not forge ahead of the richest parts of China until the 19th century, when political and ecological disasters added to China’s handicaps. More recent research, however, raises doubts about this chronology and suggests that northwestern Europe may have been wealthier than the rest of the world well before 1800.⁶ If further research upholds this claim, then how do we explain this gap between early modern European and Chinese incomes? One possibility—but far from the only one—is to blame the incessant warfare that

plagued Europe in the late medieval and early modern periods. A simple economic model devised by economist Jean-Laurent Rosenthal and the historian R. Bin Wong suggests that warfare pushed more manufacturing into the walled cities of Europe. As a consequence, Europe had less cottage industry than China and more urban industry. European urban industry facilitated technological change and, ultimately, industrialization.⁷

The debates over the great divergence show that fruitful intellectual interchange between historians and economists is certainly feasible and can reward scholars in both departments. With all the interest in global history and other comparative topics, the time may in fact be ripe for a return to economic history. And if that is not reason enough, then our recent financial crisis should remind everyone of the importance of economic history.

Perhaps there are even signs of reawakened interest in the subject among historians who are not themselves economic historians. A noteworthy recent history of the Glorious Revolution invokes economic change to help explain the causes and consequences of the events of 1688.⁸ It might be well worth your while to give economic history another chance. Look at the works I have mentioned, and if you find them interesting, consider walking across campus and talking to your local economic historian or attending an economic history seminar. In the long run, that will benefit both you and the economists.

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⁵ In the 1970s the four journals published 1,075 articles, of which some 42 had the words “economy” or “economic” in the title. While that is not a huge count, it is far better than meager totals for the 1990s, when only 20 of the 1012 articles published in these journals used one of those words in their title. The figures come from a search at www.jstor.com (February 27, 2004). Unfortunately, it was impossible to continue the search into the decade 2000-2009 because JSTOR’s collection stops in 2001 for *Past and Present* and in 2004 for the other journals.

⁶ In 1995 only 5% of the dissertations at ten top history programs were in economic history: Stephen H. Haber, David M. Kennedy, and Stephen D. Krasner, “Brothers under the Skin: Diplomatic History and International Relations,” *International Security* 22 (1997): 34-43. There were a large number of dissertations in social history (42%), and some of them might of

course touch upon economic history, but the marginal status of economic history (and of other fields, such as diplomatic history) is still clear.

³ Philip T. Hoffman, "Opening Our Eyes: History and the Social Sciences," *Journal of the Historical Society* 6 (2006): 93-117.

⁴ Stephen Haber, "Anything Goes: Mexico's 'New' Cultural History," *Hispanic American Historical Review* 79 (1999): 309-330.

⁵ Philip T. Hoffman, Gilles Postel-Vinay, and Jean-Laurent Rosenthal, *Priceless Markets: The Political Economy of Credit in Paris, 1660-1870* (University of Chicago Press, 2000).

⁶ Robert C. Allen, Jean-Pascal Bassino, Debin Ma, Christine Moll-Murata, and Jan Luiten van Zanden, "Wages, Prices, and Living Standards in China, Japan, and Europe, 1738-1925," Global Price and Income History Group Working Paper No. 1, Version: October 2005, available at <http://gpih.ucdavis.edu/Papers.htm> (consulted February 3, 2010).

⁷ Rosenthal and Bin Wong make the argument in a book to be published by Harvard University Press.

⁸ Steven Pincus, *1688: The First Modern Revolution* (Yale University Press, 2009). An interesting review of this book by Joel Mokyr is forthcoming in the *Journal of Economic History*.

ONE MORE STEP: AN AGREEABLE REPLY TO WHAPLES

Deirdre N. McCloskey

I agree with every word of Robert Whaples's elegant and well-grounded essay.¹ Whaples doesn't say things until he has the goods—and as he says, we people from the economic side tend to think of the goods as numbers. It's very true, as he also says, that our numerical habits have repelled the history-historians, especially since they have in turn drifted further into non-quantitative studies of race, class, and gender (it is amusing that the young economic historian Whaples quotes gets the holy trinity slightly wrong, substituting "ethnicity," a very old historical interest, for "class," a reasonably new one; it is less amusing that historians believe they can adequately study race, class, and gender without ever using numbers, beyond pages 1, 2, 3).

But it's also true, as is shown by the fierce and ignorant quotations he reports from other economists and economic historians, that quantitative social scientists don't get the point of the humanities. "Whenever I read historians," said a young economic historian to Whaples, "my response is: How can you say that without a number? Do you *have* a number?" Many social scientists, and especially those trained as economists, believe adamantly that, as Lord Kelvin put it in 1883, "when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind; it may be the beginning of knowledge, but you have scarcely in your thoughts advanced to the state of *Science*." The young economists nowadays believe this so fervently that rather than deviating ever from their faith they insist on collecting sometimes quite meaningless numbers (such as what is known as "statistical significance," or what they are pleased to call "calibrations" of a hypothetical model unbelievable on its face). The economist Frank Knight of the University of Iowa and then of Chicago in the 1930s was standing outside the latter institution's Social Science Building, on which is inscribed a version of Kelvin's dictum. Looking up at the inscription he remarked to his companion, "Yes, and when you *can* measure your knowledge is of a meager and unsatisfactory kind!"

It is worth remembering that Kelvin was as foolishly arrogant about his physics as many modern



Lord Kelvin, from Andrew Gray, *Lord Kelvin: An Account of His Scientific Life and Work* (J.M. Dent and Company, 1908).

economists are about their numbers and models: he said for example that "there is nothing new to be discovered in physics now. All that remains is more and more precise measurement." On the very eve of the discovery of radiation he calculated that Darwin must be wrong because the sun could not be old enough to have burned that long from merely chemical reactions. The economists who laugh at the idea that something might be learned from the past are of the same faith that we are already in possession of the Truth and need not engage in intellectual trade with anyone differently endowed. Said one of Whaples's faithful, "Why read historians? They do everything backward. They discuss 'supply' and 'demand' without prices, and speak of needs rather than choices." A just God will surely punish such sinners for their pride.

Agreeing with Whaples, I can only make here a point beyond his purview. It is: that if humanistically inclined historians and numbers-and-math inclined economists are going to work together on their projects of discovering how society happens—as economics and history themselves suggest they could

profitably do—there needs to come into existence a *humanistic science of economics*. Notice that the phrase does not give up the word "science." It adds to science the insights to be gained from the humanities. We English speakers should go back to using the word "science" not as "physical and biological inquiries" but in the old and wide sense of "serious and systematic inquiry." That is what it means in every language except the English of the past 150 years: thus in Dutch *wetenschap*, as in *kunstwetenschap* ("art science," a recent English impossibility), in German *Wissenschaft* as in *die Geisteswissenschaften* (the humanities, literally to a recent English ear a very spooky sounding "spirit sciences"), or in French *science* as in *les sciences humaines* (serious and systematic inquiries concerning the human condition, such as studies of literature or philosophy or anthropology, literally "the human sciences," another impossible contradiction in recent English), or plain "science" in English before 1850 or so.

Thus Alexander Pope in 1711 in his poetical "Essay on Criticism": "While from the bounded level of our mind/Short views we take, nor see the lengths behind:/But more advanced, behold with strange surprise/New distant scenes of endless *science* rise!" He did not mean physics and chemistry. John Stuart Mill used "science" in its older sense in all his works. Confining the word to "physical and biological science," sense 5b in the *Oxford English Dictionary*—an accident of English academic politics in the mid-19th century—has tempted recent speakers of English to labor at the pointless task of demarcating one kind of serious and systematic inquiry from another. Above all, it has set the "scientists" and the humanists at each other's throats, to the loss of science.

I just finished a book, out in October 2010 from the University of Chicago Press, called *Bourgeois Dignity: Why Economics Can't Explain the Modern World*. It shows in detail why the materialist and anti-humanist version of economics, from Marx's exploitation to Douglass North's institutional incentives, cannot explain what one of Whaples's interviewees properly calls "the miracle of modern economic devel-